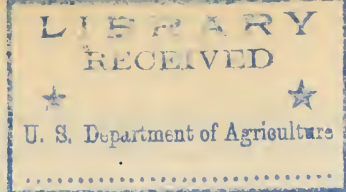


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DIVERSIFIED AGRICULTURE AND THE RELATION OF THE BANKER TO THE FARMER.¹

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There can be but three attitudes toward the individual or toward groups or masses of people: First, a sympathetic understanding of the individual or the masses and a kindly and constructive effort to relieve the condition and assist in the solution of their problems; second, total indifference; and, third, the attitude of the wolf, the cynic, the plunderer, who looks only upon the individual or upon the masses of individuals as possible objects of legitimate prey.

Agriculture is the great primary business or pursuit of the human race. Without it the world would perish. Were nature to lock up her stores and refuse to produce, or the farmers of the world refuse to work for a single year, anarchy and chaos exceeding all powers of imagination would follow. And yet there are cities and city people who regard the surrounding agricultural territory as a mere waste of land which supports the city, which ministers to the wants of the city, and which is entitled to no return of service from the city or business enterprises within it.

Does the store exist as a primary business, asking, as a right, a contribution from all other individuals and lines of business, or is it a part of a broad system of distribution made necessary by our complex civilization, and rendering a service to the inhabitants of the locality for which it expects a reasonable compensation? Is the bank a primary business, or is it an institution created because of our complex civilization, having certain well-known functions, and rendering certain service to the population, for which services it is permitted to charge a reasonable compensation?

Upon the attitude of mind of the person, and the answer to these questions, will depend our point of view of the subjects I am going to discuss. If the city is the all-important thing, and the country and its agriculture are simply tolerated because the Almighty made us

¹ An address delivered before the Bankers' Associations of Louisiana, Arkansas, and Mississippi, and the Southern Commercial Congress, April and May, 1915.

with stomachs and we have to eat, then the city is going to regard the country and the countrymen as legitimate prey. There are cities to-day whose business systems are draining the very lifeblood of the country surrounding them, without making the slightest constructive contribution toward the solution of any of the vexing problems confronting the country and its people. It is one thing for the city and its business to prosper and live in affluence by seeing just how much it can drain out of the country and out of the agriculture which surrounds it, but it is another thing for the city to prosper because it has reached forth a helping hand to serve the country and make it prosper with the city. The first is an unstable, unsatisfactory, and selfish condition. The second is a permanent, a safe, an enlightened, and a highly satisfactory condition for civilized people to live in. You have paved streets, elegant business buildings, marble counters, heating plants, hot and cold water, bathrooms, electric lights, gas, sewage disposal, fine schools, parks, lawns, amusements. But beyond the border of your city what is there? Have you ever inquired? Are there poor schools, bad roads, slough-grass, poverty, miserable homes, long hours of toil, and little compensation? Oh, but you say, there are great undeveloped resources around about every city; and I answer you, Yes, there are, but why are they undeveloped? What contribution, what constructive effort, has been put forth by the city and town, by the merchant, the banker, and the business man, to help place the agriculture of the country upon a safe, sound, and prosperous basis?

PROFIT AND SAFETY TEST OF BEST AGRICULTURE.

I have injected these few remarks for the sole purpose of causing you to think about the responsibility the men and the business undertakings of the city owe to the country and the solution of the country's problems. What kind of agriculture have you in the country surrounding your city or your town—a prosperous agriculture, or is it unprosperous, and why? If it is not prosperous, what is the matter? Is the trouble with the land, with the climate, with the kind of agriculture pursued, or is the trouble with the whole economic system? I think you will agree with me in saying that the best agriculture is the agriculture that is the most profitable, considering duration or permanency as one of the factors of profit. By profitable, I mean profitable to the farmer. If the agriculture of a district is unprofitable or precarious, something is wrong.

When you, or the bank, are making an investment or a loan, the principal and all-important question that troubles your mind is, Will it pay; is the return of the money absolutely certain and sure; is it safe? Should not this be the criterion for engaging in the farming business? Are you asking the farmers of your community to

pursue an unsafe system of farming while you desire to pursue an absolutely safe banking business? But I might go further and ask, Are you contributing to the making of that business of farming unsafe?

Where agriculture is the best and the returns from the labor of the husbandman are the surest, we have the greatest agricultural prosperity and the lowest rates of interest, and yet I venture to say if you will inspect the statistics you will find the banks of those sections prosperous in the extreme. Go to the great agricultural section of the Northwest, where the development of farming has been the highest and best in the country, and you will find the rates of interest lowest, the farmers the most prosperous, and the banking business safe and secure. This means only that where the system of agriculture is the best we have certainty of results, low rates of interest, profitable agriculture, and sure banking; and conversely, where these things are not true, we have uncertain results, high rates of interest, unprofitable agriculture, and insecure banking.

ONE-CROP SYSTEM UNSAFE.

I do not intend to take up your time to-day to discuss as fully as I would like this very deep question of the one-crop system as contrasted with diversified agriculture. The subject has been discussed time and again in the South for many, many years. To my certain knowledge it has been agitated for more than 30 years quite vigorously, and yet we have made but very small excursions into the field of a real, well-established, diversified agriculture. There are certain definite principles in this business we know as farming, or agriculture, which lead to the conclusion that the only safe and permanent system of agriculture must be founded upon a reasonable diversification. No matter how magnificent the one crop may be as a cash proposition, that system has elements of weakness which make it unsafe. So far as the Southern States are concerned, let us confess that there are no crops greater and more alluring than the four original cash crops of the South—cotton, tobacco, sugar, and rice. No agriculture, however, has long endured upon the one-crop basis, and when we compare the South with other countries we must marvel that our one-crop system has carried us as far as it has.

Did you ever think of the condition of the cotton farmer of the South; of the dilemma he faces? The only way in the world you can improve a one-crop system is to produce more of that one crop, and when you do that the markets of the world are glutted, the price drops, and your effort to improve brings its own disaster. On the other hand, as your fertility decreases, or as unfavorable weather conditions cut off the production of the crop, and the price rises, you may have little to sell, and again you are in distress. Facing either

way you please, you are in a dilemma, for your agriculture is founded upon the shifting sands of a one-crop system and not upon the rock foundation of a self-supporting agriculture.

It might not be out of place for me to detail at this time the six fundamental reasons which have led us in the Department of Agriculture to conclude that the one-crop system of the South is unsafe economically and agriculturally, and that a reasonable diversification should be substituted in its place. The reasons are:

First. A one-crop system is unsafe economically because it is dependent upon crop conditions and market conditions. The failure of the weather brings disaster, and likewise the failure of the market brings ruin. Within certain limits such a system of agriculture is between the devil and the deep sea—facing either way, one finds the devil of overproduction or the deep sea of crop failure. All the eggs being in one basket, careless handling of the basket brings disaster.

Second. The one-crop system of agriculture does not maintain soil fertility. What chance has crop rotation to restore humus, nitrogen, and other elements to the soil taken out by the plant, or for the production of manure for the same purpose. Any system of agriculture that permanently reduces the productive power of the soil is a serious economic mistake. This one reason is sufficient, if there were no others, to lead any thinking man to say that the country which pursues such a system of agriculture is facing ultimate disaster. When I was a boy in Louisiana the use of commercial fertilizers in the great cane district was almost unheard of, and the same was true in the rice territory. What is the condition to-day? All over the cotton territory the one-crop system is saddling upon our farmers the necessity of using expensive fertilizers to stimulate production on soils bereft of humus and nitrogen by continuous cropping to cotton.

Third. The one-crop system of agriculture fails to take live stock into account. No permanent system of agriculture has ever been devised which did not include a reasonable live-stock industry. On every farm there are waste products and waste lands which can not be made to return a profit without live stock. It utilizes the waste products and returns a profit from the unproductive or waste lands. Also, there is no more economical way of marketing crops than to feed them to live stock and market them through the live stock. A large percentage of the elements of fertility taken by the crop from the soil can in this way be retained upon the land in the form of manure, and only a small percentage of the elements of fertility will be marketed through the live stock. In many prosperous agricultural sections of the United States farmers are feeding live stock and figuring that they will come out about even on the live-stock venture, but that the indirect benefits from increased production resulting

from the manure saved will make their farming profitable which would be unprofitable without.

Fourth. The one-crop system is uneconomic, because under it no adequate system of farm management can be adopted. The farm is a business itself, just like a manufacturing plant. The farmer has his tools and machinery, his equipment, his land, his labor, and when these things are properly put in motion and intelligently applied to the soil, it is the business of the farm to produce wealth. The one-crop system compels the farmer to have long periods of idleness of machinery and labor. Diversified agriculture, with live stock, furnishes the largest possible opportunity for productive effort on the farm. It is estimated that the average number of working days of teams and tools in producing a crop of cotton alone is only 100 to 125 days. What is the farmer going to do the rest of the time? Diversified agriculture and live stock makes a 365-day job. Thrift and industry are greatly to be desired. I am unable to see what benefit can be derived from having long periods of idleness. What we want is a system of farming by which we can introduce and use good business system on the farm and get the best results from a reasonable expenditure of equipment and labor. This is impossible under a one-crop system.

Fifth. Under the one-crop system of agriculture the return for labor comes in but once a year, whereas under a properly diversified system of agriculture the return comes in a number of times during the year. The eggs, butter, cheese, poultry, fruit, garden, hogs, cattle, and grain, if made the product of one farm, give many opportunities for converting labor and the fertility of the soil into cash. With nothing to sell but cotton, we turn our capital over but once a year.

Sixth. Lastly, the one-crop system limits knowledge, narrows citizenship, and does not foster home building. This is because it is an unproductive and an uncertain agriculture. Surely the man who has never been trained to raise anything but cotton and corn has a narrower range of practical education than the man who has been trained to operate a diversified farm and to handle live stock intelligently.

EXPERIENCE OF OTHERS.

It seems to me that these arguments are without answer. The fundamental principles laid down here have been recognized in other parts of the country. Forty years ago the State of Iowa went through a long period of change from a one-crop, narrow, circumscribed, and unproductive agriculture to a diversified and productive agriculture, and to-day I doubt whether there is a territory of similar extent in the country more prosperous or more productive than that State. It was my good fortune four years ago to go to the Northwest,

at the request of the department, and appear before the first meeting of those bankers who have interested themselves in what is known as the "banker-farmer movement," a part of their effort being the creation of this committee of each State association, known as the committee on agriculture and vocational education. At that time the bankers of North Dakota had a long conference on the situation in their State, and decided that something must be done to change that State from a one-crop or wheat-producing State into a State of diversified agriculture, and they raised \$300,000 to start farm demonstration work through county agents in that State to bring about diversification, and with the bankers of that State behind them the county agents have made great strides in that direction.

SELF-SUSTAINING AGRICULTURE NECESSARY.

The first and most important proposition for the whole cotton territory of the South—and the argument applies equally to sugar, rice, and tobacco—is to make the agriculture self-sustaining. Enormous quantities of hay, oats, corn, and feedstuffs are imported into the South annually from Northern States to feed its people and its meager live stock. Annually it imports millions of dollars' worth of meat which it could raise as cheaply, if not more cheaply, than can the Northern States. Farmer after farmer, through a system which has become a habit, goes to the merchant annually and receives his "run," or supplies, or rations, to support the family while he makes a cotton crop, and when the cotton crop is sold the money from that cotton crop must pay not only the local profits but transportation and the profits of the farmer of the foreign State for the things this farm might have raised itself. Let me quote from Henry W. Grady: "To raise cotton and send its princely revenues to the West for supplies and to the East for usury would be misfortune if soil and climate forced such a course. When both invite independence, to remain in slavery is a crime. To mortgage our farms for money with which to buy meat and bread from western cribs and smokehouses is folly unspeakable."

Sometimes I have been tempted to drop the word "diversification." Few people understand what it means. I had a farmer say to me not long ago: "I want to diversify—to quit cotton. What crop shall I change to?" I heard some time ago of a sugar planter in Louisiana who wanted to diversify. He quit sugar and planted 500 acres of tomatoes. Surely that is diversification with a vengeance. Now, my friends, we have a good thing in the South if we will only go to work and make the agriculture self-supporting. The department's plan is to foster the production of home gardens, to encourage thrift by teaching people to can fruit and vegetables for home use as they do in every thrifty community, to have farmers grow their own corn,

oats, hay, peas, beans, potatoes, and some cane or sorghum for sirup, and to produce their own meat supply from a reasonable industry in poultry, hogs, and cattle. Of course this would require some reduction of the cotton acreage, unless more acres were taken up, but under this plan we would establish a live-stock industry sufficient to utilize the waste products of the farm and to make productive its waste land. On every farm there is waste land which could be made productive with live stock. This is a purely business proposition, but one which has been sadly neglected in all our southern territory.

Now, there are certain things about which it is difficult to speak, and yet I feel the responsibility of taking up, under the head of the relations of the banker to the farmer, some of these things. As I have thought over this question of bringing about diversification in the South, I have come to the conclusion that we are traveling in a vicious circle. The difficulty is that all of the credit in cotton territory is based upon cotton, the credit in tobacco territory upon tobacco, and in rice and sugar accordingly. I know there is in existence in every county in the South—indeed, in every community—farmers who have seen the light and who, through endless struggle, have been able to place their farms on a basis of a self-supporting and diversified agriculture, and these farmers stand out distinctly to-day as among the prosperous farmers in the community. Since this war began innumerable instances have been brought to my attention of men who have practiced only reasonable diversification, through the instruction of some county agent, and are now exceedingly thankful for their unique position. But to pursue the circle. Cotton is the basis because the farmers know how to produce it. If they do not know how to care for live stock and grow other crops, it is partly because they can not get credit on them because they don't know how to farm that way. This is the circle. Periodical failures of the cotton crop or failures of the cotton market have brought unavoidable mishaps which have caused loss and suffering not only to the farmers but to all of the bankers, merchants, and business men of the South. How are we going to get out of it?

CREDIT AND MARKETS, TWO ESSENTIALS.

And so I have come to you to-day to say that in your hands you have the power, in my judgment, to institute a safe, sound, self-supporting agriculture in the South if you will do it. The key to the whole situation lies in the hands of the bankers and credit merchants of the South. If the bankers and credit merchants of the South still fail to lend their constructive backing to the establishment of self-supporting agriculture and are still going to make their loans and finance the agriculture of the South as a one-crop agriculture, then we are going to have a one-crop agriculture until such

time as human nature breaks and we have a revolution which will overthrow the present system. Can you blame the farmer, especially the little, or tenant, farmer, if he does not follow the advice of agriculturists and does not diversify, when he well knows that when he goes to the small banker or supply merchant of the South the basis of his credit is fixed on the number of acres of the one cash crop that he is going to produce?

But, you will say, there is no market for other crops; and that is true. There is none, and I wish I had time to talk to you about that to-day, as that is one of the things we must do in the South—establish markets for these other crops. Why, not long ago one of our men had to go and help a farmer market a carload of hogs in order to make good on a demonstration, and do you know they had to market that carload of hogs in a northern State when the State from which it was shipped annually buys practically 20 million dollars' worth of northern-grown pork. The reason why the markets are not in existence is simply because the system is against them. It is so easy, where the traveling salesman drops in, for the merchant to give his order through the usual channel of trade for the northern-grown product. There is no constant supply and no standard of production or marketing of locally grown produce, hence we must foster such markets and fix standards before we can get the new system permanently on its feet. I want to tell you now there is nothing more important, nothing more helpful, you can do than to help the Southern farmer find reasonable market for locally grown produce other than the one cash crop of the community. We can not establish these things without your help. It is not so difficult, but it requires action. In Texas quite a number of counties have established diversification and marketing associations. I know of a Southern city where merchants have formed a produce association and have employed two men to go out and help farmers in marketing. They are teaching farmers to standardize production, showing them what the market wants, helping to assemble the products from farms, helping in shipping and working constantly to put money into the farmers' pockets. Farmers who are out of debt and are doing profitable farming are the best asset of any community. Other cities, counties, or districts can do these things if they will.

I realize that the men who are here are the most progressive, earnest, intelligent, and thinking bankers of the State. You have influence with merchants, and I hope you have influence with the little banker back at home, through the loans you make. You have the power to set new standards of credit. If you will take hold of this problem with the intention of lifting it, you can establish a self-supporting agriculture in this State, but without your assistance

and the assistance of those who control channels of trade and credit in the State it will be a superhuman task to create a self-sustaining system of farming. Diversification and a profitable agriculture will come only when the bankers and merchants diversify.

This is not the time for me to discuss the question of interest rates or the charges made for loans to farmers. The only way to change that interest is to make the returns from agriculture more nearly certain and less of a gamble. But there is one thing I wish to point out, and that is that you can never expect to have a permanent and profitable system of agriculture as long as the system of credit takes away from the farmer producer the maximum of profit and transfers it to some one else. No business in the world will stand the profits that some of the southern farmers have to pay for goods advanced to them. I am not saying this to criticize the merchants of the South. This is simply a cold statement of facts. I know there are many good merchants and bankers who are rendering great service to farmers but, unfortunately, they are not all doing so. But I am saying it to emphasize the fact that some one must lay constructive hold upon this problem, change the system of credit, and enable the farmers to produce this stuff themselves and reap a fair share of the reward for their labor. We need to get more on a cash basis and quit farming to pay last year's debt.

Another source of difficulty is that credit is not based on a productive purpose. A good many men have been studying rural credit in Europe during the past few years, but the rural credit of Europe is not used for the purpose of enabling men to support the family while the farmer makes a crop. The purpose of credit of the South is mainly to support the family while the farmer makes the crop, storing up a debt he must pay out of the crop. The farmers of Europe have rebelled against such an uneconomic program, and prior to the present war in Europe an economic revolution took place which in 60 years' time established a new and almost independent system of rural finance. In the Book of Proverbs, twenty-ninth chapter and eighteenth verse, are these words: "Where there is no vision, the people perish." I think some of the translators write it, "Where there is no vision, the people throw off restraint." If we have no vision of the needs of the agricultural people, ultimately they will either perish or throw off restraint.

THE BANKER'S INFLUENCE.

The banker occupies an enviable position of importance in the community. If he is dealing with credit to farmers he should understand the principles and the necessity of good farming. He can and does, in many sections, exert a powerful influence upon his farmer customers by giving them sound business advice. In Okla-

homa a few years ago, during protracted years of drought, it was ascertained that corn was an unsafe crop, but that some of the grain sorghums, such as Kafir corn, milo maize, etc., were almost certain to produce fair yields. Bankers took it up and insisted that as a condition precedent to making loans the farmer should plant a certain number of acres in these sure feed crops, and a few acres of Kafir corn was often referred to as the farmers' insurance policy. In North Dakota bankers insist upon wheat farmers planting enough corn to feed their live stock as a condition to making all loans. In sections of Mississippi and Alabama during the stress of the boll-weevil fight, bankers and merchants have insisted that farmers should produce their own supplies and cut their borrowing to a minimum. Each of these instances given was a wise and beneficent exercise of good sound business judgment.

A CREDIT RATE SHEET SUGGESTED.

If the bankers and merchants of the South would refuse next year to give credit to farmers except on a basis of the farmer making himself as nearly as possible self-supporting it would be the greatest step toward a permanent and prosperous agriculture in the Southern States. In a recent bulletin issued by the extension service of the Agricultural College of Texas, Mr. R. L. Bennett has furnished to the bankers of that State a rate sheet for determining whether or not the farmer is planning to make his farm self-supporting. The basis for the rate sheet is the 2-horse farm, with 40 acres as a unit, with five persons to the family. The bulletin sets forth that to produce the necessary food such a farm ought to have at least four pigs to produce a thousand pounds of pork, 50 laying hens or their equivalent in other poultry, two milch cows, one in milk constantly; that there ought to be one acre of vegetable garden for a constant supply of fresh vegetables, and sufficient to can for winter use. There ought to be one-fourth of an acre of sorghum, or cane, for sirup. Peas or beans ought to grow in the corn, the hay being harvested for live-stock feed, and the peas or beans picked for family use and for seed. There should be 12 acres in corn and about 5 acres in some good variety of forage crop, such as sorghum. This brings the total acreage in feed and food crops up to 20 acres, and the other 20 acres can be put in cotton. Mr. Bennett gives the result of this system in figures. With cotton at 8 cents the farm managed in the manner indicated would produce \$664.78, including value of food and feed crops. With cotton at 10 cents, \$698.08. On the other hand, if the farmer took the same farm and put it all into cotton the total income would be \$460 at 8 cents for cotton and \$560 at 10 cents. The food and feed produced on the one hand would be worth \$511.60 and on the other hand food and feed would have to be purchased out of the cotton.

This is a clear showing of the value and safety of a self-sustaining agriculture. Copies of this bulletin may be obtained by writing to your fellow-banker, Mr. Joseph Hearst, Corpus Christi, Tex., or to the Agricultural College of Texas.

If any of you are interested in going further into this matter, I submit data for the rate sheet to be used by bankers and merchants in giving credit to farmers in order to make sure of self-support. This rate sheet can be put on both sides of a card and filed for reference. It will help you and especially help the farmer customer to see what he has and what he plans to do. The form may be imperfect, but I submit it as a suggestion. The items are as follows:

DATA REGARDING BORROWER.

Date Name Address Married
Single Age Number children at home: Boys Girls

For the purpose of securing credit at the Bank
of I make the following statement:

1. I own and occupy as a farm the following real estate:

Encumbrance against real estate, \$.....

2. I am renting the following-described land:

3. My lease is for years, ending

4. I own: mules; horses; cattle, of which are cows or
heifers; head of hogs, of which are brood sows; head of
poultry, of which are hens.

Encumbrances against live stock, \$.....

5. My machinery and tools consist of: plows; cultivators; disks;
..... harrows; mowers; rakes; planters; seeders;
..... etc.

Encumbrances, \$.....

6. I have now on hand the following feed, seed, and other supplies: bushels
corn; bushels oats; tons hay; cottonseed meal; fer-
tilizers; seed; etc.

7. I expect this coming year to plant (or I have now growing) the following crops:
..... acres corn (followed by peas); acres cotton; acres oats (fol-
lowed by peas); acres peas or beans; acres sorghum or other forage
crops; acres hay; acres garden and fruit; acres pasture;
..... acres potatoes.

8. Insurance

9. Amount of loan or credit desired

10. Purpose of loan

Signature (Borrower).

(The character and reputation of the borrower for honesty and promptness should
be given careful consideration by the banker.)

Signature (Banker).

Such a sheet, or card, can be supplemented by standards fixed by your college of agriculture similar to the one gotten out by Prof. Bennett in Texas. You can assist yourselves and assist the agricultural workers by asking your agricultural college to prepare, not only for this year, but for future years, standards which will show how

much in acreage of crops and how much live stock there should be on each farm per horse or per team in order to make the farm as nearly as possible self-supporting for each different general agricultural section of the State. These should be understood as mere working bases, as general plans to be adapted to local and individual conditions. There is nothing new or unheard of about this plan. The same principle is in constant use among northern bankers.

The chairman of the board of directors of one of the Federal Reserve banks has prepared and printed a form to be used by bankers in extending credit to farmers. This form is a valuable aid, but it is prepared purely from the standpoint of the banker. It schedules assets and liabilities and collects valuable data for the bank, all useful in extending credit. But for the South, especially, it falls short of the form I have suggested because it fails to get the farmer to make and put on paper a plan of cropping best calculated to make his farm self-sustaining and it fails to secure the assent of the banker to that plan. The suggested form will be a great help if it simply influences farmers, merchants, and bankers to plan the farm and write down the plan. Few farmers ever schedule their property or make a definite plan to farm on a certain basis.

I do not mean to say that you should neglect the personal equation. I realize fully that the faith and credit to be extended to a man must depend upon his character, habits, industry, and his general reputation in business matters. Notwithstanding, such a proposed schedule will assist you and assist the borrower in getting down to business principles by helping you both to plan to make that farm self-sustaining. And so I say that the great way in which the banker may help the farmer is as a business adviser and counsel.

I realize that the banker, in order to finance diversified agriculture, must know that the farmer can grow these other crops and that he can take care of the live stock. This is important. A national bank in the Northwest has employed an expert in agriculture to advise the bank and help the bank advise its patrons, especially regarding the animal industry. If he is going to talk good farming and diversification only, he can be but an added factor in helping forces already at work. If he will go out to advise farmer borrowers how to manage their farms so as to make a profit and pay the loan, he will be doing a great work of demonstration. Many of the banks of the South have had the help of our county agricultural agents during times of stress in boll-weevil territory, and I have known bankers to refuse to extend credit to farmers unless the farmer would agree to follow the instructions of the county agent in all practices upon their farm. Over in North Carolina is a bank which is offering to loan money to farmers to purchase breeding stock for hog production, beef production, and dairying, only insisting that the farmer

must get in touch with the county agricultural agent and animal husbandry expert from the agricultural college, and adopt a plan of farming suggested by these men, and agree with the banker to pursue that plan under the advice of these experts. You can all adopt such a wise plan if you will.

HELPING EDUCATIONAL WORK.

Another important way in which the banker can help the farmer is to help finance this work of practical education of the farmer under the Lever Act, which we have been working out here in the South for the last 10 years. This has been crystallized into a law and help is now needed to finance it. The generally accepted plan is to require local people through some representative organization, or through the county taxes, to pay one-half of the expenses of this general county agricultural worker, sometimes called, erroneously, the county demonstrator. Unless you men of business see that this money is forthcoming the work is often crippled. Short-sighted men in local offices sometimes cut off the county appropriations or curtail them to such an extent that it is impossible to secure or hold the best type of men. The few hundred dollars per county you are putting up in each State will not give you the best type of men, although we have improved greatly and the work is in splendid shape. They are giving good service in spite of low financial support, rather than because of good financial support. Two or three thousand dollars per county would bring a better return to the business men, the farmers, and the citizenship generally in this type of education than many another ill-advised venture clung to tenaciously just to give some one a job. We must have men of training and ability in this important work of education. You can help with finances and with your moral support.

CREDIT FOR PRODUCTIVE PURPOSES.

Bankers can exert great influence in establishing credit for productive purposes. I do not like to mention things too close at home, but I know of an instance of a professor of agriculture, a director of an agricultural experiment station in the State where he lives. This man is a man of very high reputation. He is rated throughout the country as one of the best agriculturists in the South, and he is a very good farmer. Some time ago he wanted to borrow money from the bank to buy a carload of cattle to feed, representing to the bank that he had the necessary feed in the silo to undertake the project. He had great difficulty in securing a loan for that purpose, something that would have been considered in the Northwest as almost a matter of course, even with the ordinary farmer. The only way he could get the loan, finally, was by pledging bank stock which he owned in the bank. I simply give that as an instance of how little we know in

the South of financing the live-stock business. While preparing material for this and other addresses I wrote to a small banker in a rural town in Iowa whom it is my good fortune to know, and I was struck with some sentences from this man's letter. He says that the bank is a part of the farm, and that the position taken by the bank and the degree of prosperity enjoyed by it will depend entirely upon the prosperity of the community, especially in a purely agricultural country. He says the banks there, as a rule, are on the lookout for anything that will bring better conditions to the farmer—better live stock and better crops. He says that they contribute largely to the support of the county agent, and it is one of the best investments in that community; that they help support short courses, stock shows, grain shows, etc. In fact, the banks are taking the lead in agricultural propaganda. Let me quote this sentence from his letter: "The only class of farming we support is diversified farming, and in order to establish diversified farming you must have live stock. The most of our loans are for live stock. I believe that system of farming is the only successful one, because it means employment the whole year, while with a one-crop system they are employed for only a few months of the year and for the balance of the year are idle, and it does not seem to me that being idle would help any class." Knowing that I was deeply interested in southern conditions, and that we are facing a one-crop system here, he adds by way of comment: "It would appear to me that the plan of loaning on growing crops or crops to be grown would be rather of a board of trade matter, and would be disastrous to any banking." By "board of trade" he means "playing the market" or "gambling in futures," familiar terms in the Northwest.

SUMMARY.

To sum up, what we need is to appreciate the magnitude of the problem confronting us, and to that end we must remember the following things:

First. That the system of agriculture ought to be self-supporting, and that it ought to have sufficient diversification so that all of our interests are not jeopardized upon the one crop.

Second. That to bring this about we must have cash local markets for locally grown produce.

Third. That the most expeditious plan for bringing this about is to change the credit system by insisting that every farmer, as a prerequisite to obtaining a loan, shall adopt a plan of farming which will come as near as possible to making his farm self-supporting.

Fourth. That the bankers, and through the bankers the merchants, must be brought to alter the present system of giving credit only upon so many acres of a one cash crop.

Fifth. That more attention must be given by merchants and bankers to helping farmers to pursue the best methods in farming.

Sixth. That bankers and merchants, as well as farmers, should lend their support to educational efforts to teach farmers better agricultural methods.

Seventh. Above all we must make agriculture profitable to the tiller of the soil and get agriculture established as a great paying business for those who engage in it as well as for town and city folks.

I believe, my friends, that we are at the forks of the road; that now of all times is the time for us to have a vision of the future. On the one side is an uneconomic system, poor markets, precarious credit, and bad agriculture. On the other, sound economics, good markets, safety and security of return, healthy business conditions, and successful and prosperous agriculture. Of these two ways, which do you choose? The one leads down the hill, and I see destitute houses, ill-kept lands, poverty, disaster, mutterings, discontent, ruin. The other way leads up the hill. It will not come without a struggle, and yet I see by the side of the road the vine-clad cottage, I hear the sound of the reaper, the gentle voice of the mother at eventide, the prattle of children, the tired but happy husbandman returning to the comfortable home—peace, education, morality, and happiness prevailing. Which do you choose?

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